

DEBRA BOWEN

CALIFORNIA SECRETARY OF STATE

NEWS RELEASE

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FOR IMMEDIATE RELEASE

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Business Tax Initiative Enters Circulation

Tax Treatment for Multistate Businesses. Clean Energy and Energy Efficiency Funding. Initiative Statute.

SACRAMENTO – Secretary of State Debra Bowen today announced that the proponent of a new initiative may begin collecting petition signatures for his measure.

The Attorney General prepares the legal title and summary that is required to appear on initiative petitions. When the official language is complete, the Attorney General forwards it to the proponent and to the Secretary of State. The Secretary of State then provides calendar deadlines to the proponent and to county elections officials, and the initiative may be circulated for signatures. The Attorney General's official title and summary for the measure is as follows:

TAX TREATMENT FOR MULTISTATE BUSINESSES. CLEAN ENERGY AND ENERGY EFFICIENCY FUNDING. INITIATIVE STATUTE. Requires multistate businesses to calculate their California income tax liability based on the percentage of their sales in California. Repeals existing law giving multistate businesses an option to choose a tax liability formula that provides favorable tax treatment for businesses with property and payroll outside California. Dedicates \$550 million annually for five years from anticipated increase in revenue for the purpose of funding projects that create energy efficiency and clean energy jobs in California. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Approximately \$500 million in additional state General Fund revenues in 2012-13 and \$1 billion each year thereafter from requiring a single sales factor formula for corporate taxes, with about half of the additional annual revenues from 2013-14 through 2017-18 supporting energy efficiency and alternative energy projects. Increased Proposition 98 minimum funding guarantee for K-14 schools of roughly \$225 million annually from 2012-13 through 2017-18 and by roughly \$500 million each year thereafter, as a result of additional state General Fund revenues.** (11-0080.)

The Secretary of State's tracking number for this measure is 1550 and the Attorney General's tracking number is 11-0080.

The proponent for this measure, Joseph Caves, must collect signatures of 504,760 registered voters – the number equal to five percent of the total votes cast for governor in the 2010 gubernatorial election – in order to qualify it for the ballot. The proponent has 150 days to circulate petitions for this measure, meaning the signatures must be collected by June 11, 2012.

No public contact information was provided by the proponent.

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